



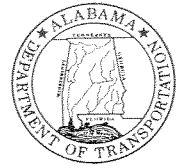
ALABAMA DEPARTMENT OF TRANSPORTATION

Bureau of County Transportation

1409 Coliseum Blvd., Montgomery, Alabama 36110-2060

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Bob Riley
Governor

Joe McInnes
Transportation Director

March 20, 2006

MEMORANDUM 2006 - 12

TO: All County Engineers and
Division County Transportation Engineers

FROM: John F. Courson
County Transportation Engineer

By: Thomas B. Moore Jr.
Thomas B. Moore Jr.
Design and Plans Engineer

RE: **Negotiated Projects**

Attached is a copy of a March 10, 2006, letter from Mr. Ronald L. Baldwin, State Office Engineer, regarding policy changes for negotiated construction of federally funded projects. The Federal Highway Administration (FHWA) directives noted in this letter refer to "rare circumstances" to justify the use of force account work and specifically requires that the "Consideration of any non-competitive construction contract requires a cost effectiveness determination **as well as an evaluation, which demonstrates that the circumstances are unusual and unlikely to recur.**"

Based on the FHWA justification requirements, **it is the opinion of this office that no federally funded county projects will meet the criteria to be eligible for negotiated construction.**

You may contact this office if you have any questions regarding this policy change.

JFC:TBM:wnk

Attachment

PC: Mr. Ronald L. Baldwin

File

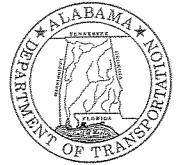
Frank Courson



ALABAMA DEPARTMENT OF TRANSPORTATION

1409 Coliseum Boulevard, Montgomery, Alabama 36110

March 10, 2006



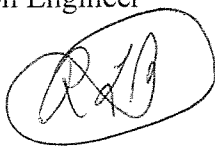
Bob Riley
Governor

MEMORANDUM

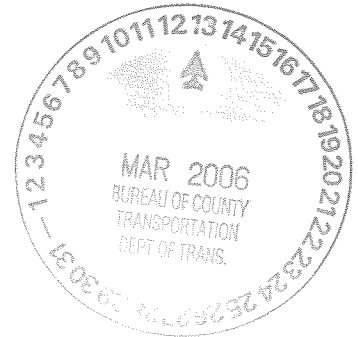
Joe McInnes
Transportation Director

TO: Mr. Frank Courson
County Transportation Engineer

Mr. Robert Jilla
Multimodal Transportation Engineer

FROM: Ronald L. Baldwin, P. E.
State Office Engineer 

RE: State Force/Negotiated Construction of Federally-Funded Projects



In the past, the Department has performed force account construction with its own personnel under one of two conditions:

1. the force account work was more cost effective than contractual methods, or
2. an emergency existed.

The work was performed based on an actual cost basis. Furthermore, county or city forces could perform construction activities based upon a negotiated (agreed unit price) basis. The justification for these two types of construction methods was that it was in the public's interest due to the economic benefit (savings) realized. A minimum savings of 10% was required.

However, recent discussions and correspondence with the Federal Highway Administration (FHWA) indicate that cost effectiveness is not the only criteria necessary for federal authorization. Ms. Catherine Batey, Acting Division Administrator, has stated that "...rare circumstances may justify the use of force account. Consideration of any non-competitive construction contract requires a cost effectiveness determination **as well as an evaluation, which demonstrates that the circumstances are unusual and unlikely to recur.**"

Therefore, all projects utilizing federally-funded state forces or negotiated construction must have a written justification included with the plan assembly when submitted to the Bureau of Office Engineer for authorization. The justification must address the criteria above and will be submitted to FHWA for approval.

If you have any questions concerning this, please contact me at extension 26450.

RLB:CPM:agh

pc: D. W. Vaughn
Don Arkle
Division Engineers
Steve Walker
Clay McBrien
File